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Compensation Discussion and Analysis
for fiscal year 2012/13

Compensation Philosophy [1]

Compensation is comprised of a base salary, incentive plan and benefits including vacation, and pension. It is designed to compensate and reward achievement of the goals as outlined in the organization's Service Plan and as may also be identified by the Human Resources Committee of the Board of Directors in its Corporate Performance Goals. A vehicle allowance is provided to the CEO to reimburse the cost of the use of a personal vehicle for business purposes.

The base salary, benefits and incentive target is benchmarked at least every three years using comparators that include public, private and not-for-profit organizations. The comparators are intended to position the organization to be reflective of the environment in which the organization operates. The Board approves the comparator organizations for the CEO position. The Human Resources Committee of the Board and CEO approve the comparator organizations for all other positions in the organization. Levels are set at the market median. The market compensation survey is administered by an independent, full service Human Resource organization using best practices identified by the consultant.

Incentive Plan Performance Targets

Incentive Plan goals are renewable annually, approved by the Human Resources Committee of the Board of Directors, and calculated using quantifiable measures. The goals are pre-set, weighted performance goals within an incentive range of 0-20% for each specific goal (total target level is 10%). Executives received incentive pay in 2012/2013 for performance in 2011/2013 at a payout of 10.58% to the target of 10%.[2]

Leaves

The organization provides vacation and sick leave to employees as well as other leaves required under Employment Standards (e.g. Family Responsibility Leave).

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[1] *Full description of ITA's compensation and bonus policy: Addendum 1*

[2] ITA's *incentive plan will end on December 31st 2014, however all eligible Executives will be moving voluntarily to the new non incentive based, PSEC approved compensation structure effective July 1, 2013.*
The increase in total compensation earned in 2012/2013 exceeds the 5% increase threshold in the CEO and all NEO's who were here for the whole of both fiscals based solely on incentive plan pay out in June 2012
Please refer to Addendum 2 for 2011/2012 bonus payout breakdown

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Summary Compensation Table

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals 2011 / 12	2010 / 11
Kevin Evans, CEO	$ 170,830	$ 37,632	$ 17,920	$ 10,183	$ 15,800	$ 252,365	$ 223,270	$ 227,626
Gary Macey, COO[i]	$ 60,000	$ 23,444	$ 6,347	$ 3,738	$ 4,431	$ 97,959	$ 172,549	$ 86,483
Sue Thomas, CFO	$ 126,997	$ 20,919	$ 13,129	$ 8,959	$ -	$ 170,005	$ 154,244	$ 157,243
Jeff Nugent, CSO	$ 123,453	$ 20,488	$ 12,746	$ 6,905	$ -	$ 163,591	$ 148,329	$ 150,218
Gary Herman, COO[ii]	$ 36,944	$ -	$ 3,484	$ 3,747	$ -	$ 44,175	$ -	$ -

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Kevin Evans, CEO	$ 15,800	$ -	$ -	$ -	$ 10,800	$ -	$ 5,000[iii]
Gary Macey, COO	$ 4,431	$ -	$ 4,431	$ -	$ -	$ -	$ -
Sue Thomas, CFO	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Jeff Nugent, CSO	$ -	$ -	$ -	$ -	$ -	$ -	$ -

[i] Gary Macey started September 20, 2010 and left August 30, 2012
[ii] Gary Herman started January 7, 2013
[iii] RSP in lieu

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I attest that the compensation provided was within approved compensation plans. Reviewed and signed on behalf of Board of Directors

June 27, 2013

Frank Pasacreta, Board Chair **Date**

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Addendum 1 – From ITA EE Handbook

3.1. SALARY ADMINISTRATION

ITA follows compensation practices that ensure all employees receive fair salaries; accurately reflect positions, duties, responsibilities, education and experience required for optimum job performance, and to enable ITA to recruit and retain qualified employees.

3.1.1 Job Descriptions have been developed to maintain a clear and efficient structure, description and evaluation of job responsibilities within ITA. However, job descriptions are only an outline of major duties and responsibilities; they are not detailed lists of every duty employees may be asked to perform. ITA may add similar or related duties at any time, at our discretion. ITA will review job descriptions:

- during the annual performance review process
- before the commencement of the recruit for a vacant position
- when a change within ITA results in a change in job functions

3.1.2 Job descriptions are the tools with which the market value of each job at ITA is determined. When a job has been evaluated it is assigned to a Salary Band, which specifies the range of compensation for the job. At ITA similarly valued positions are placed within one Salary Band, which is comprised of:

The Job minimum represents 80% of the job rate and is typically the amount of salary paid to a new employee who has the basic skills required but little or no job related experience. However, new employees with comparable experience to that required by the position being filled at the ITA may be credited with a specific number of relevant years of experience for purposes of their placement in the salary band. Placement in the salary band higher than 90% upon hire must be approved by the CEO.

The Job Rate represents 100% of the average salary paid the same or similar jobs, by the comparable external market.

The Job Maximum represents 105% of the Job Rate. Salaries in excess of 105% will only be paid to employees in unusual circumstances.

The Compa-ratio is defined as "the percentage of the incumbent's salary in comparison to the Job Rate of the Salary Band." For example, if a job has a Job Rate of $50,000, and an employee's salary is $45,000, that employee's compa-ratio is 90% (90% of $50,000 is $45,000).

3.1.3 ITA reviews Salary Bands, job rates and benefits at least every three years using a comparator group that may include public, private and non-profit employers that hire to comparable positions. The market compensation survey is administered by an independent, Human Resource organization using best practices identified by the consultant. The job rates for each salary band are reviewed periodically and approved by the HR Committee of the Board of Directors. In the intervening years, the Committee may approve salary band adjustments based on actual or projected market range adjustments, the organization's ability to pay and PSEC (Public Service Employer's Council) guidelines and mandate.

3.1.4. At the end of the annual Performance Management cycle, each employee's performance over the past year is measured against the job description, goals, and desired behaviours that support the Annual Business Plan, and a final rating is determined. Performance rating is associated with a relevant salary percentage increase, which may change from year to year, dependant on ITA's ability to pay, and the HR Committee and PSEC guidelines and mandate. .

ITA is limited by its Compensation Guidelines in the amount salaries can be increased by; currently 102% compa-ratio is the cap for salaries and salary increases. But as we want to thank, reward and motivate our employees for a positive annual performance ITA may offer paid days off in lieu of salary increases

3.1.5 Salaries are paid in equal amounts, on the 15th and last day of the month, by direct deposit. If you have a concern or need clarification regarding calculations made on your pay stub, please contact Payroll.

3.3 ANNUAL BONUS (this has now been removed from employee handbook to reflect new compensation plan)

3.3.1 To encourage you to meet specified objectives and to reward you for your contribution towards the ITA achieving our strategic plan objectives for each fiscal year, the ITA may provide an annual bonus. The amount received will be calculated on the actual base salary paid to you for the number of months you were actively employed during the year (April 1 – March 31). The payment of any bonus and the amount will be at the discretion of the ITA and will be paid once per year.

3.3.2 If you are on staff as of March 31st and you have met or exceeded your objectives, you may be eligible to receive a bonus. If you are not on staff on March 31st but have worked for at least nine (9) consecutive months during the previous fiscal year, and you have not been terminated for just cause, you may be eligible to receive a prorated bonus for the months of your employment.

3.3.3 If you are eligible, you may be paid a bonus for achievement of pre-defined Organization and/or individual objectives. The objectives and relative weighting of objectives for bonus calculation purposes are approved by the HR Committee of the Board of Directors.

3.3.4 The annual bonus must be "re-earned" each year. That is, earning a bonus in any or all prior years does not entitle you to any bonus in the next year.

3.3.5 If you are on a Maternity or Parental Leave, your bonus, which is based on your base salary received, will be paid to you three months after your return to work, provided you are still actively employed with the ITA at that time.

3.3.6 The calculation of the bonus paid to you will be based on your actual base salary earned from April 1 – March 31 each year, excluding pension contributions, overtime and other non regular base or bonus earnings. This will be paid to you for the time frame being measured (April 1 – March 31) once per year following the HR Committee of the Board of Directors approval of the bonus payment plan.

Goal	Goal Weight	Goal as portion of 10% target	Minimum 0% of Earnings	Target 10% of Earnings	Maximum 20% of Earnings	Ref	Result as % of Target	Actual Result	Bonus as % of Target	Weighted Bonus % Payment
7,000 Certificates of Qualification issued (+/- 10%)	20%	2.00%	6,300	7,000	7,700		200%	8750	2.00%	**4.00%**
10,600 Registered Sponsors (+/- 10%)	10%	1.00%	9,540	10,600	11,660		0%	9412	1.00%	**0.00%**
Cook & TAG EH complete & operational by November 2011	2.5%	0.25%	Milestones **not met**	Milestones **met**	Milestones **exceeded**	1	100%	Met	0.25%	**0.25%**
HDET pilot complete by March 2012	2.5%	0.25%	Milestones **not met**	Milestones **met**	Milestones **exceeded**	2	100%	Met	0.25%	**0.25%**
EA strategy complete by March 2012	5%	0.50%	Milestones **not met**	Milestones **met**	Milestones **exceeded**	3	100%	Met	0.50%	**0.50%**
90% Customer Service Index (annual average)	10%	1.00%	85%	90%	95%		118%	90.9%	1.00%	**1.18%**
All active * programs fully functional & policy compliant	15%	1.50%	90%	100%			100%	100%	1.50%	**1.50%**
Utilization Rate (+/- 2%)	5%	0.50%	86.7%	88.5%	90.3%		81%	87.8%	0.50%	**0.40%**
Standard Level Exams	10%	1.00%	Milestones **not met**	Milestones **met**	Milestones **exceeded**	4	100%	Met	1.00%	**1.00%**
ITA Core expenditures 98% of budget (+/- 2%)	7.5%	0.75%	100%	98%	96%		200%	93.9%	0.75%	**1.50%**
Audit (see milestones below)	2.5%	0.25%	Milestones **not met**	Milestones **met**	Milestones **exceeded**	5	100%	Met	0.25%	**0.25%**
ITO 12/13 Agreement - 30% ROI improvement (+/- 10%)	5.0%	0.50%	27%	30%	33%		23%	27.7%	0.50%	**0.12%**
Expanded Qualification Framework consultation completed and implementation plan developed and initiated by fiscal year end	5%	0.50%	Milestones **not met**	Milestones **met**	Milestones **exceeded**	6	0%	Not Met	0.50%	**0.00%**
TOTAL	**100%**	**10%**							**to date**	**10.95%**

ITA Salary Band Structure - Pre July 2012 Exec Comp Mandate

ITA Salary structure and bonus target's in current compensation plan

	Bonus Target	Minimum (80%)	Job Rate	Position
Salary Band 9	**15.0%**	$98,800	$123,500	COO CFO CSO
Salary Band 8	**10%**	$94,400	$118,000	Currently no position
Salary Band 7	**10%**	$84,000	$105,000	Director, Aboriginal Initiatives Director, Customer Service Director, Strategic Initiatives Director, Programs Standards Director, Communications & Stakeholder Engagement Director, Training Delivery
Salary Band 6	**10%**	$74,400	$93,000	Manager, Corporate Services Manager, Finance Manager, Human Resource Manager, Policy & Research Manager, Labour Supply Initiatives Manager, Quality Assurance Program Standards Manager, Program Standards Manager, Youth
Salary Band 5	**10%**	$57,600	$72,000	Supervisor, Assessment Supervisor, Quality Service Financial Analyst Research Analyst Digital Media Coordinator Systems Analyst
Salary Band 4	**7.50%**	$48,000	$60,000	E.A.to CEO & Board of Directors LMA Initiatives Administrator LMA Training Delivery Administrator Project Coordinator
Salary Band 3	**5.0%**	$40,880	$51,100	Training Provider Contact Intermediate Accountant/ Payroll ITO Contact Coordinator, Program Standards
Salary Band 2	**5.0%**	$36,000	$45,000	Office Administrator Administrator, Youth Coordinator, Standards Implementation Customer Service Analyst LMA Customer Support Payroll/Benefits Administrator
Salary Band 1	**5.0%**	$32,800	$41,000	Customer Service Representative Customer Service Representative Exam Customer Service Representative Credentials

ITA Salary Band Structure - no bonus

ITA Salary Band Structure effective December 31st 2013 (however 99% of ITA staff will voluntarily move t

	Band Minimum	Job Rate (band Maximum)	Position
Salary Band 7	$84,000	$111,544	Director, Aboriginal Initiatives Director, Customer Service Director, Strategic Initiatives Director, Programs Standards Director, Communications Director, Training Delivery
Salary Band 6	$74,400	$98,796	Manager, Corporate Services Manager, Finance Manager, Human Resource Manager, Policy & Research Manager, Labour Supply Initiatives Manager, Quality Assurance Program Standards Manager, Program Standards
Salary Band 5	$57,600	$76,488	Supervisor, Assessment Supervisor, Quality Service Financial Analyst Research Analyst Systems Analyst
Salary Band 4	$48,000	$62,806	E.A.to CEO & Board of Directors LMA Initiatives Administrator LMA Training Delivery Administrator Digital Communications and Engagement Project Coordinator
Salary Band 3	$40,880	$52,693	Training Provider Contact Intermediate Accountant/ Payroll ITO Contact Coordinator, Program Standards
Salary Band 2	$36,000	$46,426	Office Administrator Administrator, Youth Coordinator, Standards Implementation Customer Service Analyst LMA Customer Support Customer Service Representative Exam
Salary Band 1	$32,800	$42,300	Customer Service Representative Customer Service Representative Credentials

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PSEC Approved - New Exec Comp Framework Options

Board Approved Option - 0% Holdback all Exec

	New Max Salary (before PSPP adj)	No Holdback	PSPP Premium Adjm't	New Base Salary (no HB)	Change in Current Base Salary	Total New Earnings Potential	Change in Total Earnings Potential	% change in Total Earnings Potential
CEO	195,421	0.0%	-2,680	192,741	21,841	192,741	-12,339	-6.0%
COO	159,120	0.0%	-1,653	157,467	13,467	157,467	-8,133	-4.9%
CFO	140,412	0.0%	-1,466	138,946	11,946	138,946	-7,104	-4.9%
CSO	136,412	0.0%	-1,411	135,001	11,501	135,001	-7,024	-4.9%

*effective July 1, 2013 for CEO, CFO and CSO

** COO recruited January 2013 and is already on this plan

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